

MULTIPLE WAYS TO ERP

by Mike Carrozzo, chief editor

TODAY'S CONSTRUCTION COMPANIES, LARGE OR SMALL, SPECIALTY OR GENERAL, FIND VALUE WITH ERP IN DIFFERENT WAYS.

"Being able to get feedback as needed helps us to know where jobs are at. And if you cannot do that, then you are operating blind, which can be dangerous for any size contractor."

These words, from Tom Gallina, controller, Falasca Mechanical Inc., www.falascamechanical.com, Vineland, N.J., certainly ring true across the construction industry. More specifically, those final three words, "any size contractor" should strike a chord with every company today, across any discipline in construction. In a market where the companies with the best data come out on top, the value of good, accurate, and timely information cannot be understated. For this very reason, the ERP (enterprise resource planning) system has suddenly shaken the stigma of being suited just for the very large, multi-discipline construction companies.

But finding the value is all in what you prioritize as a business. Whether it's the ability to get at data quicker, outsource the heavy lifting in IT to the cloud, or consolidate multiple units under one integrated platform, today's ERP is here to accommodate. Perhaps that is why so many different types of contractors are jumping on board.

As a leading HVAC and plumbing contractor, Falasca knows the true value that only an integrated system can deliver. And it's not as if the company has suddenly come around to this way of thinking, either. In fact, Falasca has been using enterprise technology from Computer Guidance, www.computerguidance.com, Scottsdale, Ariz., for the better part of five years.

Beyond providing all the accounting for the company, Gallina emphasizes how the system helps the company benchmark in different areas. He says, "Tied to (the accounting data) is all the job costing and statistics that we look at on a daily basis to track where our projects are at, and where they are going."

Having such data at the fingertips of decisionmakers within the company is crucial to success. Data such as

how much labor is being used and where labor is projecting to grow, for example, is essential to a contractor that self performs a good amount of its work, such as Falasca. Having instant feedback as to where labor and material rates are headed can be a great indication for which direction the project is ultimately headed, and that is precisely the value ERP technology provides.

Beyond the standard benefit of having all information integrated and accessible at any given time, it is the unique reports that can be pulled from the system that please Gallina the most. Shedding another label that business intelligence and reporting are only for the big boys, Falasca takes full advantage of the fact the system allows it to run customized reporting that can help manage every level of detail on a job.

"There is a report-writing function that is sister to the program that makes it so that whatever type of report you can think of running you can do so as long as you know how to create it," adds Gallina. "What I liken it to is Excel, except with reference data."

He points to a custom report he creates to run the company payroll reports that are required by the state of New Jersey for public works projects. Without such a report-writing feature, Gallina and the two other professionals on staff that make up the company's accounting department would be required to manually pull and input such data.

"With the number of people we have and the number of jobs we run at a time, we have myself and two clerks as the entire accounting department. A lot of this depends on a system that (minimizes) the day-to-day, month-to-month, and year-to-year reporting," says Gallina.

Overall, Gallina emphasizes the fact you do not need to be a certain size or type of contractor in order to take advantage of ERP.

Richard Forrestel Jr. agrees. He is treasurer/CPA with Cold Spring Construction, a 101-year-old